

Senate Bill 76

By: Senator Hudgens of the 47th

AS PASSED

AN ACT

To amend Chapter 9 of Title 34 of the Official Code of Georgia Annotated, relating to workers' compensation, so as to repeal Code Section 34-9-135; to amend Chapter 9 of Title 33 of the Official Code of Georgia Annotated, relating to regulation of insurance rates, so as to remove certain references; to provide for related matters; to repeal conflicting laws; and for other purposes.

SECTION 1.

Chapter 9 of Title 34 of the Official Code of Georgia Annotated, relating to workers' compensation, is amended by revising Code Section 34-9-135, relating to disclosure of costs by insurer, as follows:

"34-9-135.

Reserved."

SECTION 2.

Chapter 9 of Title 33 of the Official Code of Georgia Annotated, relating to regulation of insurance rates, is amended by revising paragraph (2) of subsection (a) in Code Section 33-9-21, relating to maintenance and filing of insurance rates, rating plans, rating systems, or underwriting rules and examination of claim reserve practices by the Commissioner of Insurance, as follows:

"(2) Shall require, not later than July 30, 1990, each domestic, foreign, and alien insurer, writing or authorized to write workers' compensation insurance in this state, to file such insurer's own individual rate filing for premium rates to be charged for workers' compensation insurance coverage written in this state. Such premium rates shall be developed and established based upon each individual insurer's experience in the State of Georgia to the extent actuarially credible. The experience filed shall include the loss ratios, reserves, reserve development information, expenses, including commissions paid and dividends paid, investment income, pure premium data adjusted for loss development and loss trending, profits, and all other data and information used by that insurer in formulating its workers' compensation premium rates which are used in this state and any

other information or data required by the Commissioner. In establishing and maintaining loss reserves, no workers' compensation insurer shall be allowed to maintain any excess loss reserve for any claim or potential claim for more than 90 days after the amount of liability for such claim or potential claim has been established, whether by final judgment, by settlement agreement, or otherwise. This limitation on the maintenance of loss reserves shall be enforced through this Code section, as well as through Code Section 33-9-23, relating to examination of insurers, and any other appropriate enforcement procedures. The Commissioner is authorized to accept such rate classifications as are reasonable and necessary for compliance with this chapter. A rate filing required by this paragraph shall be updated by the insurer at least once every two years, the initial two-year period to be calculated from July 30, 1990; and"

SECTION 3.

Said chapter is further amended by revising subsection (b) of Code Section 33-9-40.1, relating to rates of workers' compensation policies issued to business entities with majority interest held by the same person, limitations on maintenance of reserves, and investigations of complaints, as follows:

"(b) For experience rating purposes, no workers' compensation insurer shall maintain any case reserve for any claim in excess of the amount established by final judgment, by settlement, or otherwise. All reductions in case reserves shall be made and reported to the appropriate rating organization within 90 days. Any further adjustments upward in the case reserve shall only be made due to additional paid claims or a case reserve established on a claim which was previously closed but reopened due to a claimant's request for additional benefits. This limitation on the maintenance of reserves shall be enforced through this Code section, as well as through Code Section 33-9-21, relating to rate filings, Code Section 33-9-23, relating to examination of insurers, and any other appropriate enforcement procedures."

SECTION 4.

All laws and parts of laws in conflict with this Act are repealed.